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**From:** [REDACTED]

**Sent:** Tuesday, November 05, 2019 8:45:00 AM

**To:** [REDACTED]

**Cc:** [REDACTED]

**Bcc:**

**Subject:** RE: -Review of Basis Computation - Capital Contribution Question

Good morning,

Sorry, I am just now getting to this. I was out of the office last week and I spent most of yesterday catching up. The partner's outside basis in his/her partnership interest is an affected item. You may adjust an affected item at the partner level without opening a partnership-level examination if you accept the partnership return as filed. See Meruelo v. Comm'r, 691 F.3d 1108 (9<sup>th</sup> Cir. 2012); Roberts v. Comm'r, 94 T.C. 853 (1990). In adjusting outside basis at the partner level in this manner, you cannot change any of the partnership-item components of outside basis without opening a TEFRA proceeding. You can adjust the overall computation of outside basis (again, accepting all the partnership item components as filed on the partnership return) and any non-partnership-item components of outside basis. Please let me know if you have any questions.

Thanks,